

## CONFERENCE COMMITTEE REPORT DIGEST FOR EHB 1925

**Citations Affected:** IC 5-10-8; IC 20-5-2-2; IC 20-7.5-1-4; noncode.

**Synopsis:** Local unit employee health benefits. Allows a local governmental unit to provide group health insurance coverage to active and retired officials and employees through one of three methods, including participation in a local unit group to provide coverage under a state employee health benefit plan. Requires the local unit group to be treated as a single group that is separate from the state employee group. Requires the state personnel department to: (1) establish costs of providing coverage to the local unit group as a whole and establish a uniform premium schedule; and (2) provide an annual opportunity for local units to elect to provide or terminate coverage under a state employee health benefit plan. Prohibits the determination of premiums paid by a local unit from being based on claims made by the local unit. Provides that the state personnel department may adopt rules specifying minimum participation and contribution requirements for participation in a state employee health benefit plan. (This conference committee report: (1) Allows a local governmental unit to provide group health insurance coverage to active and retired officials and employees through one of three methods, including participation in a local unit group to provide coverage under a state employee health benefit plan. (2) Requires the local unit group to be treated as a single group that is separate from the state employee group. (3) Requires the state personnel department to: (A) determine costs of providing coverage to the local unit group as a whole and establish a uniform premium schedule; and (B) provide an annual opportunity for local units to elect to provide or terminate coverage under a state employee health benefit plan. (4) Prohibits the determination of premiums paid by a local unit from being based on claims made by the local unit.)

**Effective:** July 1, 2001.

# CONFERENCE COMMITTEE REPORT

**MR. PRESIDENT:**

*Your Conference Committee appointed to confer with a like committee from the House upon Engrossed Senate Amendments to Engrossed House Bill No. 1925 respectfully reports that said two committees have conferred and agreed as follows to wit:*

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1       Page 1, line 17, after "group" insert "**health**".
- 2       Page 2, line 2, after "both" insert "**one (1)**".
- 3       Page 2, line 2, reset in roman "of".
- 4       Page 2, line 5, delete "a" and insert "**the local unit group of local**
- 5       **units that offer the**".
- 6       Page 2, line 7, before "However," insert "**A local unit public**
- 7       **employer may provide programs of group insurance other than**
- 8       **group health insurance for the local unit public employer's active**
- 9       **and retired public safety employees by purchasing policies of group**
- 10       **insurance and by establishing self-insurance programs."**
- 11       Page 4, line 18, after "group" insert "**health**".
- 12       Page 4, line 19, after "both" insert "**one (1)**".
- 13       Page 4, line 19, reset in roman "of".
- 14       Page 4, line 23, delete "a" and insert "**the local unit group of local**
- 15       **units that offer the**".
- 16       Page 4, line 25, before "However," insert "**A public employer may**
- 17       **provide programs of group insurance other than group health**
- 18       **insurance under this section by purchasing policies of group**
- 19       **insurance and by establishing self-insurance programs."**
- 20       Page 6, line 17, after "(a)" insert "**As used in this section, "local**
- 21       **unit group" means all of the local units that elect to provide**

coverage for health care services for active and retired:

(1) elected or appointed officers and officials;

(2) full-time employees; and

(3) part-time employees;

of the local unit under this section.

(b)".

Page 6, line 18, delete "a".

Page 6, line 19, delete "self insurance program established by" and insert **"an accident and sickness insurance policy (as defined in IC 27-8-5.6-1) purchased through"**.

Page 6, line 20, delete "7(b)" and insert **"7(a)"**.

Page 6, line 21, after "(2)" insert **"a"**.

Page 6, line 24, delete "(b)" and insert **"(c)"**.

Page 6, line 25, delete "elect" and insert **"participate in the local unit group by electing"**.

Page 6, line 26, delete "employees" and insert **"**:

**(1) elected or appointed officers and officials;**

**(2) full-time employees; and**

**(3) part-time employees;"**.

Page 6, line 26, begin a new line blocked left beginning with "of the".

Page 6, line 28, delete "(c)" and insert **"(d)"**.

Page 6, line 28, delete "for active and".

Page 6, line 29, delete "retired employees of the local unit".

Page 6, line 29, delete "(b)" and insert **"(c)"**.

Page 6, line 30, delete "the state shall charge the local unit for the full cost of" and insert **"the local unit group must be treated as a single group that is separate from the group of state employees that is covered under a state employee health plan;**

**(2) the state personnel department shall:**

**(A) establish:**

**(i) the premium costs, as determined by an accident and sickness insurer or a prepaid health care delivery plan under which coverage is provided under this section;**

**(ii) the administrative costs; and**

**(iii) any other costs;**

**of the coverage provided under this section, including the cost of obtaining insurance or reinsurance, for the local unit group as a whole; and**

**(B) establish a uniform premium schedule for each accident and sickness insurance policy or prepaid health care delivery plan under which coverage is provided under this section for the local unit group; and"**.

Page 6, delete line 31.

Page 6, line 32, delete "(2)" and insert **"(3)"**.

Page 6, between lines 33 and 34, begin a new line blocked left and insert:

**"The premium determined under subdivision (2) and paid by an individual local unit shall not be determined based on claims made by the local unit."**

Page 6, line 34, delete "(d)" and insert **"(e)"**.

Page 6, line 34, delete "enrollment" and insert **"annual opportunity"**

1 **for local units to elect to provide or terminate coverage under**  
 2 **subsection (c)."**

3 Page 6, delete lines 35 through 36.

4 Page 6, line 37, delete "(e)" and insert "**(f)**".

5 Page 6, between lines 40 and 41, begin a new paragraph and insert:  
 6 "SECTION 4. IC 5-10-8-7 IS AMENDED TO READ AS FOLLOWS  
 7 [EFFECTIVE JULY 1, 2001]: Sec. 7. (a) The state, excluding state  
 8 educational institutions (as defined by IC 20-12-0.5-1), may not  
 9 purchase or maintain a policy of group insurance, except:

10 **(1) life insurance for the state's employees;**

11 ~~or~~ **(2) long term care insurance under a long term care insurance**  
 12 **policy (as defined in IC 27-8-12-5), for its the state's employees;**

13 **or**

14 **(3) an accident and sickness insurance policy (as defined in**  
 15 **IC 27-8-5.6-1) that covers individuals to whom coverage is**  
 16 **provided by a local unit under section 6.6 of this chapter.**

17 (b) With the consent of the governor, the state personnel department  
 18 may establish self-insurance programs to provide group insurance other  
 19 than life or long term care insurance for state employees and retired  
 20 state employees. The state personnel department may contract with a  
 21 private agency, business firm, limited liability company, or corporation  
 22 for administrative services. A commission may not be paid for the  
 23 placement of the contract. The department may require, as part of a  
 24 contract for administrative services, that the provider of the  
 25 administrative services offer to an employee terminating state  
 26 employment the option to purchase, without evidence of insurability,  
 27 an individual policy of insurance.

28 (c) Notwithstanding subsection (a), with the consent of the governor,  
 29 the state personnel department may contract for health services for state  
 30 employees **and individuals to whom coverage is provided by a local**  
 31 **unit under section 6.6 of this chapter** through one (1) or more prepaid  
 32 health care delivery plans.

33 (d) The state personnel department shall adopt rules under IC 4-22-2  
 34 to establish long term and short term disability plans for state  
 35 employees (except employees who hold elected offices (as defined by  
 36 IC 3-5-2-17)). The plans adopted under this subsection may include  
 37 any provisions the department considers necessary and proper and  
 38 must:

39 (1) require participation in the plan by employees with six (6)  
 40 months of continuous, full-time service;

41 (2) require an employee to make a contribution to the plan in the  
 42 form of a payroll deduction;

43 (3) require that an employee's benefits under the short term  
 44 disability plan be subject to a thirty (30) day elimination period and  
 45 that benefits under the long term plan be subject to a six (6) month  
 46 elimination period;

47 (4) prohibit the termination of an employee who is eligible for  
 48 benefits under the plan;

49 (5) provide, after a seven (7) day elimination period, eighty percent  
 50 (80%) of base biweekly wages for an employee disabled by injuries  
 51 resulting from tortious acts, as distinguished from passive

negligence, that occur within the employee's scope of state employment;

(6) provide that an employee's benefits under the plan may be reduced, dollar for dollar, if the employee derives income from:

- (A) Social Security;
- (B) the public employees' retirement fund;
- (C) the Indiana state teachers' retirement fund;
- (D) pension disability;
- (E) worker's compensation;
- (F) benefits provided from another employer's group plan; or
- (G) remuneration for employment entered into after the disability was incurred.

(The department of state revenue and the department of workforce development shall cooperate with the state personnel department to confirm that an employee has disclosed complete and accurate information necessary to administer subdivision (6).)

(7) provide that an employee will not receive benefits under the plan for a disability resulting from causes specified in the rules; and

(8) provide that, if an employee refuses to:

- (A) accept work assignments appropriate to the employee's medical condition;
- (B) submit information necessary for claim administration; or
- (C) submit to examinations by designated physicians;

the employee forfeits benefits under the plan.

(e) This section does not affect insurance for retirees under IC 5-10.3 or IC 21-6.1.

(f) The state may pay part of the cost of self-insurance or prepaid health care delivery plans for its employees.

(g) A state agency may not provide any insurance benefits to its employees that are not generally available to other state employees, unless specifically authorized by law.

(h) The state may pay a part of the cost of group medical and life coverage for its employees."

Page 12, between lines 16 and 17, begin a new paragraph and insert:  
 "SECTION 6. IC 20-7.5-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 4. Subjects of Bargaining. A school employer shall bargain collectively with the exclusive representative on the following: salary, wages, hours, and salary and wage related fringe benefits, **including accident, sickness, health, dental, or other benefits under IC 20-5-2-2 that are subjects of bargaining on July 1, 2001.** A contract may also contain a grievance procedure culminating in final and binding arbitration of unresolved grievances, but such binding arbitration shall have no power to amend, add to, subtract from or supplement provisions of the contract.

SECTION 7. [EFFECTIVE JULY 1, 2001] **Notwithstanding IC 5-10-8-2.2, IC 5-10-8-2.6, and IC 20-5-2-2, all as amended by this act, and IC 5-10-8-6.6, as added by this act, the coverage that may be elected under IC 5-10-8-6.6, as added by this act:**

- (1) need not be made available before January 1, 2002; but**

- 1       **(2) must be made available not later than January 1, 2002."**
- 2       Renumber all SECTIONS consecutively.  
      (Reference is to EHB 1925 as printed March 30, 2001.)

**Conference Committee Report**  
**on**  
**Engrossed House Bill 1925**

**S**igned by:

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Representative Moses  
Chairperson

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Senator Ford

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Representative Young D

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Senator Hume

**House Conferees**

**Senate Conferees**